

# Software Industry Profile

## General Background

Washington state is home to the world's largest software company, Microsoft, as well as over 4,200 additional companies that provide supply or custom software and related services. It is estimated that these companies generate \$30 billion in business in Washington state.

According to the WSA, approximately 61,000 people in Washington State are employed in the software and Internet industries, a 39% growth from 1998. A study by the Northwest Policy Center further supports this growth in a study indicating that the software industry grew 369.8% between 1990 and 2000.

In a study conducted in November of 2000, the WSA projected that by 2002, the industry could grow 26 percent if it can find qualified people to fill close to 16,000 jobs. In addition, according to an Internet report by Cisco Systems the jobs that the Internet boom has helped to create and companies shifting workers to take advantage of Internet technologies directly supports just under 3.1 million people in the state.

Most of the software companies in Washington State are clustered primarily in the North and Puget Sound, as well as Tri-Cities, Spokane, the Olympic Peninsula, and Bellingham. The software and other high tech sectors in Washington are backed by world-class research and educational institutions, which provide a talented labor pool skilled in the industry and in supporting technology companies.

*(Sources: WSA, Technology Alliance, Washington Technology Center, Northwest Policy Center Cluster Study).*

## Exports

Software is considered a service and is not measured in overall trade statistics. It is estimated that if software exports were included in our state's overall export statistics -- \$35 billion in 2001 -- it would increase this amount by \$5 to \$10 billion.

The strongest export markets for software include Japan, Korea, and Europe, but many companies in Washington state are also leaders in emerging markets such as India, South America, and Southeast Asia.

*(Source: MISER statistics).*

## Leaders in the Industry

- Microsoft Corporation
- Attachment Corporation
- RealNetworks, Inc.
- Infospace, Inc.
- Itron
- ALSTOM ESCA Corporation
- Onyx Software Corporation
- WRQ, Inc.
- AVT Corporation
- F5 Networks

*(Source: Puget Sound Business Journal Book of Lists and Washington CEO, 2002).*